

Audit's[®] NEWS ANALYSIS OF SECURITIES OF REAL ESTATE INVESTMENT TRUSTS

Realty Trust Review

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INVESTMENT OUTLOOK AND STATISTICAL ISSUE

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INVESTMENT OUTLOOK: GETTING READY FOR THE NEXT WAVE OF REALTY TRUST BUYERS

What stocks are next?

That's the question we are asked most frequently, in the aftermath of a few dramatic months that have seen control change at a half-dozen trusts, including potential changes at two of the three with largest market value. And a dozen others are talking merger, either with other trusts or outsiders (p.7).

All this means we live in interesting investment times for realty trusts, and the aim of everything we've done in recent REALTY TRUST REVIEW issues is pointed toward helping you profit in a once-in-a-lifetime opportunity.

Right now enormous investment funds

are pouring into realty trust stocks. Our exclusive index on p. 2 tells the story graphically: trusts rose sharply -- again -- in a month when Dow-Jones Industrial stocks marked time. Property (or equity if you prefer) trusts rose 5.1% on our index and dividend-paying mortgage trusts added 7%. But the non-dividend and more speculative trusts leaped nearly 20%, one of the biggest monthly moves for the group ever.

Are we near the top? Probably not, because the megabuck buyers so far have different perceptions about future inflation rates (higher than most Americans have yet accepted), property replacement costs (cheap), today's real estate prices (dirt cheap compared to Europe and other industrialized nations), and politics (America remains stable and relatively receptive to private capital). All this

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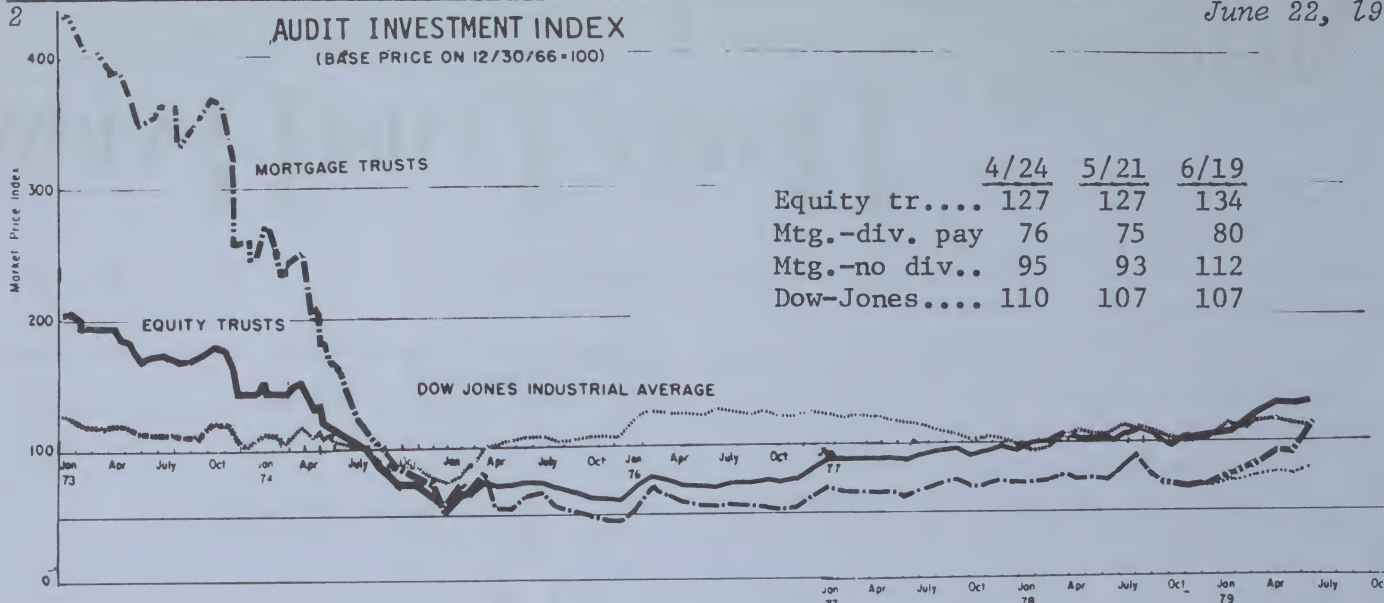
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AUDIT INVESTMENT INDEX

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adds to a pool of potential buyers who most likely are happy to pay top dollar (judged by today's U.S. prices) for the real estate underlying the REITs.

Add to this the U.S. companies who have special reasons to seek REITs -- tax losses being a primary motivation -- and you can understand the money flood. Review the recent bidding and you can see how most events fit these categories:

--Foreigners are buying heavily. A group led by Canada's Campeau Corp. got over 80% of Prudent Real Estate via tender at \$7, a 43 $\frac{1}{2}$ % premium over the 4-7/8 price just before the announcement. Marathon Realty, subsidiary of Canadian Pacific Investments Ltd., will offer \$35/sh. for General Growth Properties, subject to shareholder and other approvals. Bel-Fran investment group of Vancouver has agreed to contribute property and cash at \$5/sh. for new shares to give it from 33% to 50% of State Mutual Inv., again subject to approvals and a rights offering at \$5 to existing holders.

From England, Bouverie Properties, Inc., affiliate of Britain's Nat. Coal Board pension plan, has apparently won control of Continental Illinois Properties with a \$30/sh. tender that management will not oppose. Bouverie tops a \$25/sh. bid by Brabant, N.V., believed backed by Saudi Arabian investors. CIE traded at \$16-\$18 before the bids began.

--Special situation investors are hunting. Most striking example is capture of over 70% of Continental Illinois

Realty by William Lyon Co., a California homebuilder, with an \$11/sh. offer, a startling 138% premium over the 4-5/8 pre-tender price. Lyon at first offered \$10/sh., then boosted to \$11. But Lyon had a unique reason for paying so much:

The trust held warrants, acquired in a 1972 financing, to buy 20% of privately held Lyon at \$625/sh. Since then, Lyon was phenomenally successful and book value zoomed to \$48,900/sh. by March 1979, before giving effect to the warrants. In 1977, Lyon began negotiating to repurchase the warrants and finally offered \$7.3 million plus 20% of after-tax profits for three years (a package estimated to be worth \$12 million or over \$4.25 per CIR share). When CIR rejected this offer, Lyon moved to buy the entire trust, which had book value of \$5.71/sh. In other words, CIR had unique value for Lyon Co. alone.

We detail the story because CIR very carefully had never disclosed the warrants' potential value, even while it negotiated with Lyon. Since Lyon was a private company, security analysts had no way of evaluating the warrants. All this raises the intriguing question:

How many more carefully nurtured goodies are squirreled away in REITs?

Right now the market is willing to believe there are many others but we advise you to be cautious. Cont. Ill. Realty was uniquely aggressive with some close ties to a few borrowers; very few other trusts followed this pattern. So

(Continued page 7)

PACIFIC TRUST'S 25% BOOST LEADS SIX GAINERS IN JUNE

Pacific Realty Trust raised its quarterly dividend rate to 25¢, equal to a \$1.00 annual rate. Earnings and cash flow continue strong; the current payout marks a 67% increase in the dividend rate since resumption last July.

Five other trusts boosted their dividend from that of the last quarter. M&T Mortgage Investors, a strong Texas mortgage trust which has a dividend re-investment plan, boosted its quarterly payout 14%, to 40¢. First Union, which is buying new office buildings and shopping centers and whose shares are ranked No. 1, raised its dividend 11%, while Mortgage Growth Investors, also No. 1-ranked, whose recent results have benefited as non-earning investments have achieved

Trust	Record date	Quarterly dividend/share---			-% Chng. from-	
		Latest	Previous	Year-ago	Prev.Q	Yr-ago
Consolidated Capital..	6/17	\$0.1717M	\$0.1717M	\$0.17M	UC	+ 1%
Denver REIA.....	6/15	0.20	0.20	0.18	UC	+11
Federal Realty.....	6/25	0.34	0.34	0.34	UC	UC
First Continental.....	6/30	0.28	0.27	0.24	+ 4	+17
First Union.....	7/23	0.30	0.27	0.26	+11	+15
Florida Gulf.....	6/28	0.32	0.32	0.32	UC	UC
General Growth.....	6/29	0.39	0.39	0.37	UC	+ 5
GREIT.....	7/17	0.10	0.10	0.10	UC	UC
Investors Realty.....	5/30	0.15	0.15	0.125	UC	+20
M & T Mortgage.....	6/25	0.40	0.35	0.26	+14	+54
Miller Henry S.....	7/5	0.30	0.28+52¢EX	0.25	+ 7	+20
MONY.....	6/29	0.23	0.23	0.23	UC	UC
Mortgage Growth.....	6/29	0.22	0.20	0.15	+10	+47
Pacific Realty Trust..	6/27	0.25	0.20	0.15	+25	+67
Rlty. & Mtg. Pac.....	6/29	0.35	0.35	0.32	UC	+ 9
Realty Income.....	6/1	0.35	0.35	0.35	UC	UC
University REL.....	6/22	0.06M	0.06M	0.06M	UC	UC

UC=Unchanged. M=Monthly. S=Semianual. EX=Year-end extras. L=Liquidating.
NC=Not compared. Trusts reducing dividend from previous quarter underlined.
Trusts resuming dividends IN CAPS. a- Adjusted for stock splits.

earning status, boosted its dividend 10%. Henry S. Miller, which also had a very strong May quarter (see p. 8), raised its quarterly dividend rate 7%, to 30¢; it had paid a 52¢ year-end extra dividend in the prior period. First Continental boosted its dividend 4%, also on strong earnings.

COMPARATIVE TRUST GROUP AVERAGE 06/19/79

GROUP	QUAL	NON-QUAL	TOTAL	SHARE (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	-% CHNG MON AGO	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MARKET VALUE
PROPERTY-LARGE	21	0	21	2355	15.71	1.18	1.34	16.47	9.7	24.6	12.3	7.2	4.8	8.6	916.1
-SMALL	7	0	7	962	13.37	1.23	1.39	11.66	1.6	7.2	8.4	10.5	-12.8	10.4	75.5
-SUBOR LAND	3	0	3	1862	16.11	1.30	1.37	13.63	9.3	17.6	9.9	9.5	-15.4	8.5	66.8
AVERAGE 3 PROP GROUPS			31	1992	15.22	1.20	1.35	15.11	8.1	20.6	11.1	8.0	-0.7	8.9	1058.4
PROP & MTG COMBINATION	14	10	24	2139	11.59	0.45	0.63	9.37	8.5	42.7	14.8	4.8	-19.1	5.5	575.6
SHORT-TERM MTG	11	0	11	1757	15.17	0.68	0.94	10.96	9.3	29.9	11.7	6.2	-27.8	6.2	225.8
LONG-TERM MTG/PROP	13	0	13	3554	15.00	1.00	1.02	10.83	6.7	17.9	10.6	9.2	-27.8	6.8	485.4
MTG/FCLSD PROP-MISC	4	5	9	3289	4.71	0.00	0.35	4.58	22.2	71.7	12.8	0.0	-2.8	7.6	138.5
--BANK	0	16	16	2425	5.41	0.01	0.18	5.19	25.2	71.6	28.8	0.2	-3.9	3.3	175.7
--INDEPEND	0	37	37	3152	1.95	0.00	0.21	3.19	16.0	67.2	15.2	0.0	64.1	10.8	305.9
AVERAGE 3 MTG/FCLSD PROP			62	2984	3.24	0.00	0.22	3.91	20.1	69.4	17.5	0.1	20.7	6.9	620.1
OVERALL AVERAGE	73	68	141	2579	9.31	0.48	0.67	8.49	10.3	32.8	12.6	5.8	-8.8	7.2	2965.3
DOW-JONES INDUSTRIAL AVERAGE								124.10	839.40	-0.4	4.3	6.8	6.0		

*LATEST QUARTER ANNUALIZED

STRAIGHT BONDS

STRAIGHT BONDS

ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD	ISSUER & DESC.	EX	INT.	MAT	MIL \$	PRICE	% CHANGE	% YIELD
BAY COLONY PROP-B	PS	8.50	'89	17.0	71.00	-1.3	12	MTG INV WASH-BG	OC	12.00	'80	15.0	85.00	0.0	14
BAY COLONY PROP-C	NY	8.50	'81F	6.8	90.13	1.0	9	NATIONWIDE RE-C	OC	7.00	'91	6.5	67.00	-1.4	10
BT MTG INV-C	OC	5.75	'82	19.4	67.00	6.3	8	MO AMER MTG-B	PS	8.50	'87	12.1	71.00	1.4	12
CHASE MAN TR-A	OC	7.88	'78F	36.7	80.00	0.0	VJ	REALTY REFUND	NY	11.38	'98	20.0	96.50	0.9	11
CHASE MAN TR-C	OC	7.50	'83	41.2	45.00	0.0	VJ	REALTY REFUND-C	NY	12.00	'98	15.0	98.00	0.9	12
CITYZN & SO RLY-CD#	PS	3.00	'93	3.4	83.00	18.6	3	SAUL (B.F.)-C	NY	8.50	'80	25.0	96.41	0.3	8
CITYZNS MTG INV-B	OC	8.50	'80	20.0	34.00	3.0	VJ	SECURITY MTG-C#	AS	7.25	'82	37.5	89.88	0.8	8
CMEI-C	NY	6.50	'82F	30.0	70.25	3.3	9	SECURITY MTG-C#	OC	6.00	'82	5.3	69.00	1.5	8
CONT ILL RLTY-B	NY	7.63	'79	25.0	96.31	0.4	7	SO ATLANTIC-C#	NY	6.75	'82F	16.9	78.00	4.3	8
DOMINION MTG-C	OC	8.00	'87	11.0	63.00	18.9	VJ	STATE MUT INV-B	NY	9.00	'80F	6.2	94.00	-0.3	9
FIRST MTG INV-A	OC	6.75	'82	8.9	62.00	3.3	10	TRECO-C	OC	6.75	'91	5.3	56.00	7.7	12
FIRST VA MTG-A	OC	4.00	'80	14.9	81.00	8.0	4	TRI-SOUTH MTG-B	NY	7.75	'80F	11.4	94.88	2.6	8
FIRST VA MTG-BM	OC	12.00	'80	5.0	85.00	0.0	14								
GMR PROPERTIES-B	AS	7.70	'80	5.1	97.25	2.9	7								
GMR PROPS-B	PS	8.50	'87	15.3	71.38	-0.8	11								
GREAT AMER MGMT-B	OC	3.00	'90	15.0	43.00	-4.3	7								
GREAT AMER MGMT-C	OC	1.10	'91	10.3	40.00	0.0	2								
GROWTH RLTY-C	NY	6.75	'82	9.2	78.50	0.0	8								
GUARDIAN MTG-B	PH	7.50	'79	25.0	56.00	24.4	VJ								
GUARDIAN MTG-C#	PH	6.75	'86	8.6	41.00	15.5	VJ								
IDS REALTY-H	OC	---	---	86.0	60.00	0.0	NC								
INST INVESTOR-B	OC	8.25	'87	15.2	66.00	-5.6	12								
INSTNL INV-B	NY	7.88	'80	5.5	95.00	2.3	8								
JUSTICE MTG-B	OC	7.75	'79	9.6	70.00	0.0	VJ								
MIDLAND MTG-B	NY	8.00	'80	14.9	90.00	2.1	8								

DESCRIPTION: A-SENIOR; B-SENIOR SUBORDINATE; C-SUBORDINATE OR JUNIOR SUBORDINATE. D-3% TO 9/30/82, 7% AFTER. M-VARIABLE AT 1 1/2% OVER MONTHLY PRIME. C-VARIABLE AT 1 1/4% OVER PRIME IN OCT. AND APRIL. H-FIVE SERIES. A-E: 6-7/8%, 7-1/8%, 7-3/8%, TWO VARIABLE; 1987-94. VJ-BANKRUPTCY REORGANIZATION.
X-SUSPENDED BY EXCHANGE. DEF-IN DEFAULT.
#-MAY BE USED AT PAR TO EXERCISE WARRANTS.
F-TRADES FLAT, WITHOUT ACCRUED INTEREST.

June 22, 1979

RELATIVE APPEAL RANKING	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS-- MON	ANN* PRICE	% CHANGE MON AGO	FROM- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
PROPERTY TRUSTS-OVER \$25M ASSETS													
2	AMER EQUITY IT#	2497	10.70	1.20	MAR	1.35	8.75	9.4	9.4	6.5	13.7	-18.2	12.6
NR	CMNWLTH RLTY #	1305	12.84	0.80	NOV	1.05	8.50	-2.9	-10.5	8.1	9.4	-33.8	8.2
3	CONSOL CAP RLY#	1989	25.55	2.06	FEB	2.06	27.50 X	-1.2	10.0	13.3	7.5	7.6	8.1
2	CONT ILL PROP#	4808	23.75	1.36	APR	1.56	29.63	20.3	89.6	19.0	4.6	24.8	6.6
2	DENVER REIA#	1101	16.41	0.80	MAR	1.28	16.25 X	7.9	54.8	12.7	4.9	-1.0	7.8
1	FEDERAL REALTY#	1455	13.82	1.36	MAR	1.24	15.88	-0.8	6.7	12.8	8.6	14.9	9.0
1	FIRST UNION #	4464	16.80	1.20	MAR	1.62	16.00	19.6	48.8	9.9	7.5	-4.8	9.6
1	FLORIDA GULF#	997	20.07	1.28	APR	1.44	13.50	3.8	14.9	9.4	9.5	-32.7	7.2
3	GENERAL GROWTH#	6202	11.10	1.56	MAR	1.61	35.38	21.0	34.1	22.0	4.4	218.7	14.5
2	GOULD INVESTOR#	1170	18.26	0.88	MAR	1.36	12.50 X	7.1	44.8	9.2	7.0	-31.5	7.4
1	GREIT REALTY	998	11.40	0.40	APR	0.36	9.63	7.0	35.1	26.8	4.2	-15.5	3.2
2	HUBBARD REI	4004	24.85	1.64	APR	1.80	18.25 X	4.4	13.1	10.1	9.0	-26.6	7.2
2	NEW PLAN RLTY#	3037	5.47	0.84	JAN	0.72	9.75 X	13.8	5.4	13.5	8.6	78.2	13.2
1	PENN REIT	1561	13.17	1.65	FEB	1.84	20.13	10.3	23.9	10.9	8.2	52.8	14.0
3	PRUDENT REIT#	3146	8.40	0.28	FEB	0.84	7.25	0.0	123.1	18.1	3.9	-13.7	4.8
2	REIT OF AMERICA	1633	21.86	1.60	MAY	2.81	21.00	15.1	34.4	7.5	7.6	-3.9	12.9
2	SAN FRAN RE #	1387	25.03	1.60	MAR	1.60	22.25	11.3	20.3	13.9	7.2	-11.1	6.4
NR	UNIVERSITY REI#	2510	9.00	0.72	MAR	0.62	8.25 X	-2.2	-16.5	25.8	8.7	-8.3	3.6
NR	USP REIT #	2504	9.25	0.71	DEC	0.39	8.75	12.9	12.9	12.7	8.1	-5.4	7.5
2	VIRGINIA REI#	1166	13.97	0.80	MAR	1.00	11.50	0.0	-2.1	11.5	7.0	-17.7	7.2
2	WASH REIT #	1519	18.24	2.12	MAR	2.12	25.25 X	1.1	20.2	11.9	8.4	38.4	11.6
GROUP AVERAGE		2355	15.71	1.18		1.34	16.47	9.7	24.6	12.3	7.2	4.8	8.6
PROPERTY TRUSTS-SPECIALITY PROPS & UNDER \$25M ASSETS													
NR	GENERAL RE SHS	557	7.47	1.21	MAR	0.76	9.00	5.9	20.0	11.8	13.4	20.5	10.2
1	HOTEL INVESTOR#	1568	19.24	2.00	FEB	2.36	18.88	2.1	18.9	8.0	10.6	-1.9	12.3
NR	PITTS & W VA RA	1510	22.99	0.56	MAR	0.76	6.00 X	-1.8	4.3	7.9	9.3	-73.9	3.3
NR	RE INV PROPS #	959	8.55	1.28	MAR	1.24	10.25	-6.8	-6.8	8.3	12.5	19.9	14.5
NR	REIT OF CALIF	550	9.59	1.28	MAR	1.28	14.00	0.0	-6.7	10.9	9.1	46.0	13.3
NR	TERRIDALE R#	336	22.65	1.60	MAR	2.68	16.50	1.5	17.9	6.2	9.7	-27.2	11.8
NR	US EQUITY & MTG	1253	3.10	0.68	JAN	0.68	7.00	-6.7	0.0	10.3	9.7	125.8	21.9
GROUP AVERAGE		962	13.37	1.23		1.39	11.66	-1.6	7.2	8.4	10.5	-12.8	10.4
PROPERTY TRUSTS-SUBOR LAND LEASEBACK													
2	ICM REALTY	3011	14.92	0.50	FEB	0.68	11.00	18.9	29.4	16.2	4.5	-26.3	4.6
2	JMB REALTY	510	19.67	2.00	FEB	2.04	18.00	2.9	18.0	8.8	11.1	-8.5	10.4
2	PROPERTY CAPITL	2065	13.73	1.40	APR	1.40	11.88 X	2.9	8.0	8.5	11.8	-13.5	10.2
GROUP AVERAGE		1862	16.11	1.30		1.37	13.63	9.3	17.6	9.9	9.5	-15.4	8.5
PROPERTY & MTG COMBINATION													
2N	API TRUST	1012	7.15	0.00	DEC	0.03	2.00	-6.1	-6.1	86.7	0.0	-72.0	0.4
2	BANKAMER RLTY	3547	17.53	1.00	APR	1.48	16.75 X	15.3	61.4	11.3	6.0	-4.4	8.4
2N	BRT REALTY	1400	2.24	0.00	FEB	0.00	1.63	8.7	30.4	0.0	0.0	-27.2	0.0
1	CONN GEN M&R#	5726	20.45	1.80	MAR	2.32	24.63	9.5	36.8	10.6	7.3	20.4	11.3
2	FLATLEY RLTY #	1000	9.55	0.20	MAR	0.40	5.00	11.1	33.3	12.5	4.0	-47.6	4.2
1N	INDIANA M&R	1154	9.20	0.00	MAR	0.41	6.50	52.9	85.7	15.9	0.0	-29.3	4.5
2	INVESTORS RL#	1479	14.55	0.60	FEB	1.00	8.25 X	1.8	11.8	8.3	7.3	-43.3	6.9
2	MILLER HENRY S	560	19.08	1.20	MAY	1.54	15.00	0.0	20.0	9.7	8.0	-21.4	8.1
1	MORTGAGE GRO #	2640	11.78	0.88	MAY	1.12	9.50	18.8	38.1	8.5	9.3	-19.4	9.5
2	PACIFIC RLTY#	840	21.62	1.00	FEB	2.09	20.13	5.2	45.0	9.6	5.0	-6.9	9.7
2	PROP TR AMER#	2338	8.94	0.36	MAR	0.43	5.63	0.0	21.6	13.1	6.4	-37.0	4.8
2	REALTY INCOME	1578	11.59	1.40	JAN	0.00	11.75 X	6.3	6.8	0.0	11.9	1.4	0.0
2	RIVIERE RLTY #	783	13.95	0.60	MAR	0.68	6.00	9.1	3.1	8.8	10.0	-57.0	4.9
2	WELLS FARGO M&E	3924	17.85	1.40	MAR	1.50	15.88	11.4	39.5	10.6	8.8	-11.0	8.4
GROUP AVERAGE		1999	13.25	0.75		0.93	10.62	10.6	32.2	11.4	7.0	-19.9	7.0
SHORT TERM MTG-MTG BANKER & MISC FIN SPONSOR													
2	BAYSWATER RLTY	1043	15.65	0.05	APR	0.35	12.75	-5.6	70.0	36.4	0.4	-18.5	2.2
2N	CENTRAL MTG	775	13.42	0.00	DEC	1.41	8.38	8.1	63.4	5.9	0.0	-37.6	10.5
2	FIRST CONTNL	2106	10.34	1.12	MAY	1.44	9.50	15.2	18.8	6.6	11.8	-8.1	13.9
3	FRASER MTG	1038	16.61	1.12	FEB	0.81	11.25	2.3	7.1	13.9	10.0	-32.3	4.9
2N	HANOVER SQ RLTY	946	11.20	0.00	FEB	0.00	7.00	0.0	0.0	0.0	0.0	-37.5	0.0
2	LOMAS & NETLIN	3700	27.86	2.04	MAR	2.04	19.00	7.0	23.5	9.3	10.7	-31.8	7.3
2	MAT MORTGAGE	1482	10.43	1.60	MAY	1.80	13.25 X	18.7	45.1	7.4	12.1	27.0	17.3
1N	MTG TRUST AMER	3860	13.54	0.00	FEB	0.54	8.38	15.6	39.7	15.5	0.0	-38.1	4.0
2	NATIONWIDE RE	1047	24.36	0.52	MAR	0.52	15.75	12.5	26.0	30.3	3.3	-35.3	2.1
2	SUTRO MTG INV	2322	15.59	1.00	MAR	1.08	10.38	7.8	25.8	9.6	9.6	-33.4	6.9
2	WESTERN MTG	1003	7.83	0.05	FEB	0.30	4.88	11.4	44.4	16.3	1.0	-37.7	3.8
GROUP AVERAGE		1757	15.17	0.68		0.94	10.96	9.3	29.9	11.7	6.2	-27.8	6.2
LONG-TERM MTGS & PROPERTIES													
2N	BT MTG INVSTRS	2116	0.78	0.00	MAR	0.25	2.38	0.0	90.4	9.5	0.0	205.1	32.1
NR	DEL-VAL FIN CP*	1345	9.37	1.44	MAR	1.37	11.00 X	1.1	4.8	8.0	13.1	17.4	14.6
3	EQUIT LF MTG	5663	23.39	2.00	APR	2.00	18.88	6.4	12.7	9.4	10.6	-19.3	8.6
1	HOSPITAL MTG#	1178	23.12	0.60	FEB	0.60	11.50	4.5	31.4	19.2	5.2	-50.3	2.6
1	MASSMUTUAL MTG	4670	19.69	1.36	APR	1.52	13.50	3.8	8.0	8.9	10.1	-31.4	7.7
2	MONT MTG INV	8952	9.72	0.92	MAY	0.72	8.63	9.5	13.1	12.0	10.7	-11.2	7.4
3	NOWSTN MUT MT	4758	19.07	1.00	MAR	0.84	10.75	8.8	7.5	12.8	9.3	-43.6	4.4
1	PACIFIC SO MTG	800	12.02	0.80	MAR	1.14	8.25	3.1	19.9	7.2	9.7	-31.4	9.5
3	PNB MTG & RLTY	2437	19.16	1.08	MAR	0.96	10.88	6.1	29.8	11.3	9.9	-43.2	5.0
3	REALTY REFUND	1377	17.34	1.60	APR	1.60	13.63 X	-1.5	4.8	8.5	11.7	-21.4	9.2
2	RLTY & MTG PAC	1890	18.07	1.40	MAY	1.36	16.38	7.4	33.7	12.0	8.5	-9.4	7.5
1N	SECURITY MTG	7410	5.70	0.00	MAR	0.06	4.38	12.9	29.6	73.0	0.0	-23.2	1.1
1	UNITED REALTY	3610	17.60	0.80	FEB	0.80	10.63	3.7	30.8	13.3	7.5	-39.6	4.5
GROUP AVERAGE		3554	15.00	1.00		1.02	10.83	6.7	17.9	10.6	9.2	-27.8	6.8

#NET CASH FLOW, SEE PAGE 6. TRUSTS REPORTED ON A CASH FLOW BASIS AND DENOTED WITH "*" SYMBOL: BOOK VALUE INCLUDES ACCUMULATED DEPRECIATION. *GROSS CASH FLOW. ARROWS DENOTE NEW EARNINGS OR DIVIDENDS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN. EXTRAORDINARY GAINS NOT ANNUALIZED. AMERICAN EQUITY AND ICM REALTY DIVIDENDS TRAILING 12 MONTHS. -0.0 IN % PRICE TO BOOK INDICATES NEGATIVE BOOK VALUE. PH-PHILADELPHIA EXCHANGE. PS-PACIFIC EXCHANGE. BO-BOSTON EXCHANGE. NR-NOT RANKED. VJ-IN BANKRUPTCY REORGANIZATION. Y-CH. XI REORGANIZATION COMPLETED.

BID PRICES SHOWN FOR ALL OVER THE COUNTER STOCKS.

NAME CHANGE: BAIRD & WARNER MTG. & REALTY TO BAYSWATER REALTY & INVESTMENT TRUST.

RELATIVE RANKING	APPEAL	EXCH/ SYM BOL	SHARE (000)	BOOK VALUE	ANN DIV*	-EARNINGS- MON	ANN* PRICE	% CHANGE FROM MON AGO	FROM JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RETURN ON BK	MKT VA (MIL\$)
MTG & FORECLOSED PROPERTY-MISC SPONSOR														
2N	CMT INVTMT	OC-CLMTS	2030	2.93	0.00	MAR	0.11 ↑ 3.50	47.1	133.3	31.8	0.0	19.5	3.8	7.1
4N	HEITMAN MTG	AS-HTM	3292	1.60	0.00	MAR	0.00 2.88	64.6	108.7	0.0	0.0	80.0	0.0	9.5
3N	MISSION INV TR	AS-MIT	1812	4.92	0.00	FEB	0.05 6.25	28.1	35.0	125.0	0.0	27.0	1.0	11.3
3N	NORTH AMER MTG	NY-NAM	6901	6.01	0.00	MAR	0.00 5.00	33.3	81.8	0.0	0.0	-16.8	0.0	34.5
GROUP AVERAGE			3509	3.87	0.00		0.04 4.41	38.2	71.8	110.2	0.0	14.0	1.0	62.4
PROP & MTG COMBINATION-NON-QUALIFIED (MOST INDEPENDENT)														
5N	AMER REALTY	OC-ARB	2222	3.04	0.00	MAR	0.04 ↑ 3.00	4.2	50.0	75.0	0.0	-1.3	1.3	6.7
3N	WAY COLONY PROP	NY-BAY	3315	6.27	0.00	FEB	0.00 5.75	12.1	43.8	0.0	0.0	-8.3	0.0	19.1
3	C I REALTY #	NY-CIX	2609	21.58	0.40	FEB	1.03 ↑ 24.63	-3.4	118.9	23.9	1.6	14.1	4.8	64.3
3N	CITIZENS GROWTH	OC-CITGS	811	7.01	0.00	APR	0.04 3.75	7.1	36.4	93.8	0.0	-46.5	0.6	3.0
2N	FRANKLIN RLTY	AS-FR	999	8.19	0.00	MAR	0.17 9.00	5.9	80.0	52.9	0.0	9.9	2.1	9.0
2N	SAUL (BF) REIT	NY-BFS	5893	4.35	0.00	MAR	0.00 8.00	3.2	25.4	0.0	0.0	83.9	0.0	47.1
2N	SUMMIT PROP #	OC-SMPTS	1543	11.92	0.00	JAN	0.05 3.75	0.0	36.4	75.0	0.0	-68.5	0.4	5.8
2N	US REALTY #	NY-UTY	3434	14.10	0.00	MAR	0.58 ↑ 8.88	22.5	82.0	15.3	0.0	-37.0	4.1	30.5
2N	WALTER REALTY	OC-WALJS	1035	7.62	0.00	APR	0.00 6.25	13.6	35.0	0.0	0.0	-18.0	0.0	6.5
2	WISCONSIN RE #	OC-WREIS	1514	8.75	0.04	MAR	0.28 ↑ 3.38	-3.4	107.4	12.1	1.2	-61.4	3.2	5.1
GROUP AVERAGE			2338	9.28	0.04		0.22 7.64	4.5	68.7	34.9	0.6	-17.7	2.4	197.1
MTG & FORECLOSED PROP-NON-QUALIFIED-INDEPENDENT MGMT														
2N	ATLANTA NATL	OC-ATNAS	1273	8.80	0.00	FEB	0.00 5.50	29.4	37.5	0.0	0.0	-37.5	0.0	7.0
2N	BARNES MTG INV	OC-BARNES	1910	9.30	0.00	MAR	0.00 3.00	33.3	59.6	0.0	0.0	-67.7	0.0	5.7
4N	BUILDERS INV	OC-BULDS	2929	0.20	0.00	MAR	0.00 ↓ 2.00	10.5	-16.0	0.0	0.0	900.0	0.0	5.9
2N	CAPITAL MTG	PH-CMU	1675	-0.88	0.00	MAR	0.11 1.63	63.0	85.2	14.8	0.0	-0.0	-0.0	2.7
5N	VJCITIZENS MTG	OC-CZM	1421	-17.17	0.00	SEP	0.00 0.38	-24.0	52.0	0.0	0.0	-0.0	-0.0	0.5
1N	COMPASS INV GP	OC-CMPSS	3109	3.96	0.00	DEC	0.53 1.56	8.3	24.8	2.9	0.0	-60.6	13.4	4.9
4N	VJCONTINENTAL MTG	OC-CMI	20838	-6.54	0.00	SEP	0.04 0.73	32.7	284.2	18.3	0.0	-0.0	-0.0	15.2
2N	DIVERSIFIED MTG	NY-DMG	7326	8.18	0.00	MAR	0.00 5.50	22.2	51.5	0.0	0.0	-32.8	0.0	40.3
3N	VJDOMINION MGR	OC-DMRTS	639	-9.59	0.00	FEB	0.09 1.75	26.8	98.9	19.4	0.0	-0.0	-0.0	1.1
1N	EASTOVER CORP	OC-EASTS	1034	12.70	0.00	MAR	0.26 10.50	10.5	40.0	40.4	0.0	-17.3	2.0	10.9
2N	FIRST MORTGAGE	OC-FMTGS	8495	-5.72	0.00	APR	0.07 2.00	10.5	217.5	28.6	0.0	-0.0	-0.0	17.0
2N	FIRST NEWPORT R	OC-FNRTS	2339	3.41	0.00	JAN	0.34 3.25	18.2	135.5	9.6	0.0	-4.7	10.0	7.6
3N	FIRST VIR REIT	OC-FVM	1208	7.44	0.00	MAR	0.74 3.25	-13.3	135.5	4.4	0.0	-56.3	9.9	3.9
1N	GREAT AMER MGT	OC-GAA	7372	6.31	0.00	JAN	0.59 4.38	25.1	-888.8	7.4	0.0	-30.6	9.4	32.3
2N	GROWTH RLTY	NY-GRW	2059	6.80	0.00	MAR	0.00 5.38	10.2	34.5	0.0	0.0	-20.9	0.0	11.1
3N	VJGUARDIAN MTG	PH-GMI	3000	-12.59	0.00	FEB	0.20 1.25	7.8	123.2	6.3	0.0	-0.0	-0.0	3.8
2N	HAMILTON INV	OC-HAMTS	2178	5.47	0.00	MAR	0.29 5.38	79.3	169.0	18.6	0.0	-1.6	5.3	11.7
2N	INSTITUTIONAL	NY-INV	6798	1.43	0.00	APR	0.00 2.00	6.4	0.0	0.0	0.0	39.9	0.0	13.6
2N	KENTUCKY PROPTY	OC-KHTGS	1100	3.01	0.00	FEB	0.03 3.00	20.0	40.8	100.0	0.0	-0.3	1.0	3.3
5N	LIFETIME COM	OC-LFTMS	6632	2.87	0.00	JAN	0.08 1.00	-20.0	58.7	12.5	0.0	-65.2	2.8	6.6
2N	LINCOLN MTG	OC-LNMGS	1155	1.17	0.00	DEC	0.31 2.75	10.0	46.3	8.9	0.0	135.0	26.5	3.2
1N	MARYLAND REALTY	OC-MDRTS	760	8.50	0.00	FEB	0.00 4.38	12.9	37.7	0.0	0.0	-48.5	0.0	3.3
5N	VJMETROPLEX RLTY	OC-JMI	1184	0.68	0.00	MAR	0.00 0.75	33.9	97.4	0.0	0.0	10.3	0.0	0.9
2N	MIDLAND MTG	NY-MMT	2382	0.16	0.00	MAR	0.00 3.00	14.1	71.4	0.0	0.0	1775.0	0.0	7.1
1N	MORAGA CORP	OC-MORA	1355	7.88	0.00	APR	0.97 5.75	17.8	83.7	5.9	0.0	-27.0	12.3	7.8
3N	MTG INV WASH	OC-MTNVS	2146	4.10	0.00	DEC	0.00 2.50	17.4	42.9	0.0	0.0	-39.0	0.0	5.4
4N	NATIONAL MTG	OC-NMF	3707	2.03	0.00	NOV	0.00 1.06	12.8	45.2	0.0	0.0	-47.8	0.0	3.9
7N	NEMCORP INC	NY-NMC	3854	0.89	0.00	FEB	0.06 3.00	4.2	14.1	50.0	0.0	237.1	6.7	11.6
7N	NJR PRIME INV	OC-NJR	1803	-7.81	0.00	FEB	0.00 3.88	3.5	288.0	0.0	0.0	-0.0	-0.0	7.0
5N	PLAZA REALTY	OC-PRJSS	1114	0.86	0.00	DEC	0.09 ↑ 2.25	16.0	155.7	25.0	0.0	161.6	10.5	2.5
3N	REPUBLIC MTG	NY-RMI	2107	3.07	0.00	MAR	0.00 2.25	12.5	63.0	0.0	0.0	-26.7	0.0	4.7
2N	SOUTH ATLANTIC	NY-SAT	2706	2.64	0.00	APR	0.00 5.00	11.1	66.7	0.0	0.0	89.4	0.0	13.5
1N	TEXAS FIRST MTG	OC-TFMRs	1055	7.87	0.00	MAR	0.00 5.38	10.2	79.3	0.0	0.0	-31.6	0.0	5.7
2N	TIERCO	OC-TIERS	1186	6.41	0.00	MAR	0.00 4.25	21.4	61.6	0.0	0.0	-33.7	0.0	5.0
2N	TRECO INC	OC-TRECS	2289	1.07	0.00	MAR	0.18 ↑ 1.56	24.8	47.2	8.7	0.0	45.8	16.8	3.6
4N	UMET TRUST	NY-UTAT	2109	0.48	0.00	FEB	2.79 3.00	4.2	59.6	1.1	0.0	525.0	581.3	6.3
2N	WESTPORT CO	OC-WSPTS	2388	4.58	0.00	JAN	0.00 3.88	29.3	59.0	0.0	0.0	-15.3	0.0	9.3
GROUP AVERAGE			3152	1.95	0.00		0.21 3.19	16.0	67.2	15.2	0.0	64.1	10.8	305.9
MTG & FORECLOSED PROP-NON-QUALIFIED-COMCL BANK SPONSOR														
3N	AMER FLETCHER M	OC-AFM	1352	1.37	0.00	APR	0.00 ↓ 2.63	5.2	61.3	0.0	0.0	92.0	0.0	3.6
1N	CAMERON-BROWN	NY-CB	2016	8.67	0.00	MAR	0.25 5.63	32.5	114.1	22.5	0.0	-35.1	2.9	11.4
5N	VJCHASE MAN MTG	OC-CMR	5142	-6.30	0.00	FEB	0.00 1.06	6.0	112.0	0.0	0.0	-0.0	-0.0	5.5
NR	CITINATL DEV	OC-N/A	600	13.13	0.00	DEC	0.00 8.50	-4.3	13.3	0.0	0.0	-35.3	0.0	5.1
3N	CITIZENS&SO RLTY	NY-CZS	5443	1.67	0.00	MAR	0.00 2.13	13.3	88.5	0.0	0.0	27.5	0.0	11.6
1	CLEVELAND TRST	OC-CTRS	2525	10.66	0.20	MAR	0.00 7.25 X	12.3	93.3	0.0	2.8	-32.0	0.0	18.3
3N	CONT ILL RLTY	NY-CIR	2797	5.33	0.00	MAR	0.00 10.88	163.4	313.7	0.0	0.0	104.1	0.0	30.4
1N	FIDELCO GROWTH	AS-FGI	1580	6.82	0.00	FEB	0.40 6.50	44.4	57.4	16.3	0.0	-4.7	5.9	10.3
2N	FIRST DENVER MI	OC-FDENS	1621	7.42	0.00	MAR	0.54 3.88	14.8	82.2	7.2	0.0	-47.7	7.3	6.3
2N	FIRST MEMPHIS	OC-FMEMS	1156	7.32	0.00	FEB	1.14 5.75	17.8	109.1	5.0	0.0	-21.4	15.6	6.6
3N	FIRST PENN MTG	NY-FPM	2961	1.35	0.00	APR	0.00 2.50	17.4	66.7	0.0	0.0	85.2	0.0	7.4
3N	FIRST WISCONSIN	OC-FWMTS	1988	5.41	0.00	MAR	0.00 ↓ 4.75	18.8	64.9	0.0	0.0	-12.2	0.0	9.4
5N	INDEPENDENCE MT	OC-IMTGS	2500	-3.87	0.00	DEC	0.00 3.25	52.6	225.0	0.0	0.0	-0.0	-0.0	8.1
2N	NV FINANCIAL IN	OC-NFINS	1510	14.59	0.00	MAR	0.15 8.75	2.9	7.6	58.3	0.0	-40.0	1.0	13.2
1N	TRI-SOUTH MTG	NY-TSI	2276	3.89	0.00	MAR	0.41 3.38	12.7	50.2	8.2	0.0	-13.1	10.5	7.7
2N	WACHOVIA RLTY	NY-WRI	3335	9.03	0.00	MAY	0.00 6.25	31.6	61.1	0.0	0.0	-30.8	0.0	20.8
GROUP AVERAGE			2425	5.41	0.01		0.18 5.19	25.2	71.6	28.8	0.2	-3.9	3.3	175.7
MTG & FORECLOSED PROP-NON-QUALIFIED-MISC FIN SPONSORS														
2N	AMER CENTURY MI	NY-ACT	2607	5.35	0.00	MAR	0.00 5.25	7.6	67.7	0.0	0.0	4.0	0.0	13.7
3N	CI MTG GROUP	PH-CI	4812	6.40	0.00	APR	0.57 ↓ 6.00	6.6	100.0	10.5	0.0	-6.3	8.9	28.9
1N	GMR PROP	NY-GMR	2956	2.41	0.00	FEB	0.00 3.13	0.0	66.5	0.0	0.0	29.9	0.0	9.3
3N	IDS REALTY	OC-IDR	2409	4.22	0.00	APR	1.81 ↑ 4.13	65.2	199.3	2.3	0.0	-2.1	42.9	9.9
2N	STATE MUTUAL	NY-SMU	2786	8.92	0.00	MAR	0.69 5.13	5.1	17.1	7.4	0.0	-42.5	7.7	14.3
GROUP AVERAGE			3114	5.40	0.00		0.61 4.73	12.5	71.7	7.7	0.0	-12.4	11.4	76.1
PREFERRED STOCK & REIT FUNDS														
NR	CMT INV TR-PFD	OC-CLMPT	2149	7.50L	0.00	MAR	0.11 3.50	33.1	47.1	31.8	0.0	-53.3	1.5	7.5
NR	RET INCOME	AS-RET	3794	3.62N	0.00	MAR	0.14 2.88	44.0	44.0	20.6	0.0	-20.4	3.9	10.9
NR	RET-\$4.38 PFD	AS-RETPR	575	51.63C	4.38	---	0.00 44.25	1.7	4.1	0.0	9.9	-14.3	0.0	25.4
NR	S-G SECURITIES	AS-SGO	1425	1.96N	0.00	OCT	0.00 2.13	21.7	6.5	0.0	0.0	8.7	0.0	3

CONVERTIBLE DEBENTURES

DEBENTURE	EX	MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG	CONV PARITY	STOCK PRICE
ALAMAND CORP	OC	'91F	6.50	27.75	57.00	11.4	3.6	15.81	5.75
AMER CENTURY	AS	'90	7.00	21.00	65.00	10.8	4.0	13.65	5.25
AMER CENTY'B	NY	'91	6.75	28.00	66.00	10.2	5.6	18.48	5.25
AMER REALTY	OC	'84F	7.00	10.40	65.00	DEF	12.1	6.76	3.00
BAIRD&WARNER	OC	'91	6.75	21.00	67.00	10.1	-4.2	14.07	12.75
BANKAMERICA	OC	'90	6.75	21.00	84.00	8.0	7.7	17.64	16.75
CAPITAL MTG	OC	'91	6.50	33.00	53.00	12.3	43.2	17.49	1.63
CHASE MANHTN	OC	'96F	6.50	55.00	45.00	VJ	0.0	24.75	1.06
CHASE MANHTN	OC	'97	11.63	2.25	45.00	VJ	0.0	1.01	1.06
COMPASS GP	OC	'98F	8.25	1.35	116.00	7.1	5.5	1.56	1.56
CONN GENERAL	NY	'96	6.00	32.50	76.63	7.8	7.2	24.90	24.63
CONTRL MTG	OC	'90	6.25	19.79	51.00	VJ	21.4	10.09	0.75
EQUITBL LF M	NY	'90	6.75	26.25	77.00	8.8	0.0	20.21	18.88
FIRST NEWPR	OC	'91F	6.75	27.50	53.00	12.7	0.0	14.57	3.25
FIRST PENN M	OC	'91F	6.75	8.65	55.00	12.3	0.0	4.75	2.50
FIRST UNION	NY	'91	7.00	13.00	126.00	5.6	24.8	16.38	16.00
FRANKLIN RLY	AS	'89	7.00	10.00	92.00	7.6	2.8	9.20	9.00
HANOVER SQ R	AS	'92	7.25	21.00	75.25	9.6	-0.2	15.80	7.00
HEITMAN MTG	AS	'92	7.50	14.70	64.00	11.7	3.2	9.40	2.88
HOTEL INVSTR	OC	'90	7.75	21.00	78.00	9.9	0.0	16.38	18.88
HOTEL INVSTR	OC	'91	7.50	25.25	75.00	10.0	2.7	18.93	18.88
LINCOLN MTG	OC	'90	8.00	11.00	57.00	14.0	3.6	6.27	2.75
MASSMUTL MTG	NY	'90	6.75	21.00	76.63	8.8	3.6	16.09	13.50
MASSMUTUAL M	NY	'91	6.25	33.50	73.63	8.5	0.9	24.66	13.50
MIDLAND MTG	OC	'86	7.00	16.67	53.00	13.2	-1.8	8.83	3.00
MONY MTG IN	NY	'90	7.00	11.00	84.00	8.3	6.3	9.24	8.63
MTG INV WASH	OC	'90	8.00	15.00	65.00	12.3	1.6	9.75	2.50
NOVSTRN MUTL	NY	'91	6.00	21.00	72.50	8.3	0.0	15.22	10.75
PAC REAL TR	AS	'92	7.00	26.25	82.00	8.5	5.8	21.52	20.13
PACIFIC PACIFIC	OC	'91	6.75	21.00	79.00	8.5	6.0	16.59	16.38
REALTY INCOM	AS	'91	8.00	18.00	79.00	10.1	5.0	14.22	11.75
REPUBLIC MI	NY	'90	9.00	19.00	90.63	9.9	0.0	17.21	2.25
SAUL (BF) RL	OC	'91	6.50	23.00	68.00	9.6	1.5	15.64	8.00
SAUL (BF) REI	OC	'90	8.00	15.50	77.00	10.4	-2.4	11.93	8.00
STATE MUTUAL	AS	'91	6.75	21.00	69.00	9.8	0.0	14.49	5.13
SUTRO MIT	NY	'82	6.75	20.00	86.63	7.8	1.3	17.32	10.38
SUTRO MTG	AS	'91	6.75	20.00	70.00	9.6	5.1	14.00	10.38
TRECO	OC	'98	8.50	1.62	100.00	8.5	19.0	1.62	1.56
TRI-SO / SR	PH	'88	10.00	2.50	135.00	7.4	12.5	3.37	3.38
TRI-SOUTH MI	NY	'92F	7.00	29.50	61.00	11.5	5.6	17.99	3.38
US REALTY IN	NY	'89	5.75	20.20	65.00	8.8	4.0	13.13	8.88
WESTPORT CO	OC	'91	6.75	21.00	60.00	11.3	0.0	12.60	3.88

CONVERSION PARITY IS PRICE AT WHICH SHARES WOULD HAVE TO SELL TO JUSTIFY DEBENTURE PRICE. VJ=IN BANKRUPTCY REORGANIZATION. F=TRADES FLAT, WITHOUT ACCRUED INTEREST. DEF=IN DEFAULT. PH=PHILADELPHIA EXCHANGE. PS=PACIFIC EXCHANGE.

WARRANTS

NAME	EXCH/ SYMBOL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (\$ MILS)
BARNES MTG	O-BARNW	12/82	1910	20.00	1.0	0.05	3.00	568.3	0.0	0.1
CAPITAL MTG	O-CMORW	11/79	471	15.35	1.0	0.03	1.63	843.6	0.0	0.0
CI MTG	PH-CL.W	3/80	2854	20.00	1.0	0.08	6.00	234.7	-38.4	0.2
CITIZNS&SO-B	PS-N/A	4/83	222	2.00	50.0	16.75	2.13	9.6	26.4	3.7
FLATLEY RLTY	O-FLTLW	5/80	1000	10.00	1.0	0.25	5.00	105.0	0.0	0.3
JMB REALTY	O-JMBRW	8/82	510	20.00	1.0	1.00	18.00	16.7	100.0	0.5
M&T MTG INV	O-MTMIZ	8/80	747	13.00	1.0	0.63	13.25	2.9	65.8	0.5
MTG INV WASH	O-MINWV	3/80	931	15.00	1.0	0.03	2.50	501.2	0.0	0.0
REPUBLIC MI	A-RMIW	6/79	1064	20.00	1.0	0.01	2.25	789.3	-49.9	0.0
SAN FRAN REI	A-SFW	12/80	1348	25.00	1.0	2.13	22.25	21.9	88.5	2.9
SUTRO MIT(B)	A-SUTW	6/82	700	20.00	1.0	1.00	10.38	102.3	33.3	0.7
UNITED RLTY	A-URBW	12/79	3610	20.00	1.0	0.06	10.63	88.7	0.0	0.2

*DEBENTURES USABLE IN LIEU OF CASH.

WTS PRICE OF .01 INDICATES TRADING IN MILLS.

NOTE: BUYERS ARE CAUTIONED THAT SPREADS BETWEEN BID AND ASKED PRICES FOR WARRANTS ARE VERY LARGE AND PRICES MAY VARY SIGNIFICANTLY.

HOW TO USE COMPARATIVE TRUST STATISTICS

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

Annualized Dividend and Yield: Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our RELATIVE APPEAL RANKINGS. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

Annualized Earnings and Price/Earnings Ratio: For mortgage trusts, latest quarter earnings are multiplied by four. Zeroes indicate losses or no earnings for the quarter indicated. Losses per share are shown in RELATIVE APPEAL RANKINGS. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "#" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "*". Cash flow derived from amortization of debt discount is denoted by "e". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in RELATIVE APPEAL RANKINGS.

Shares: The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures, exercise of warrants, or common equivalents which may have been used in earnings per share computations.

Book value per share is essentially tangible net worth per share after deduction of intangible items such as debt discount, unamortized debt expenses, and goodwill if any. Book value does not reflect any changes in asset values through appreciation but does reflect deduction of a reserve for possible future investment losses computed under AICPA rules. Accumulated depreciation is added back to net book value for trusts whose results are reported on a cash flow basis (see above) and denoted with the "#" symbol, as a means of approximating market value of properties. Components of this adjusted book value are reported in RELATIVE APPEAL RANKINGS.

PROFILE OF REALTY TRUSTS AS OF JUNE 19, 1979

	Number	Invested Assets Non/Low-Earn.	Total	% Non- and Low-earning	% Change in month	Loss Reserve	Foreclosed Property	All Debt	Shareholders Equity
PROPERTY.....	31	\$ 55M	\$ 2,073M	3%	-4.2%	\$ 22M	\$ 31M	\$1,366M	\$ 719M
PROPERTY & MTG.....	24	356	1,866	19	-5.9	52	152	1,315	526
SHORT-TERM MTG.....	11	126	717	18	0.0	28	103	400	316
L/T MTG/PROPERTY....	13	261	1,681	16	-2.3	45	174	981	663
MTG/FORECLOSED PROP.	62	3,706	5,285	70	-4.6	911	2,717	4,192	251
TOTALS/AVERAGES...	141	\$4,505M*	\$11,622M	39%	-4.4%	\$1,058M	\$3,177M	\$8,255M	\$2,476M

* Includes \$1,221M or 10.5% low-earning assets. M=Million.

we prefer to focus on known properties in answering "What stocks are next?" Our answers fall into two categories:

Large trusts with institutional-type holdings. We listed likely candidates for megabuck, quality asset buyers in the May 11 issue. We repeat that listing, even though most moved up 10-20% this past month, because they are a starting point for any large investor and most have some upside potential under the conditions outlined on p.1&2. Their June price moves:

First Union RE, up 19.6% in June.

Pennsylvania REIT, up 10.3% to 20-1/8.

Washington REIT, off 1% to 25 1/4.

San Francisco REI, up 11.3% to 22 1/4.

BankAmerica Rlty., up 13.6% to 16-3/4.

Conn.Gen. Mtg., up 9 1/2% to 24-5/8.

B.F. Saul REIT, up 3.2% to 8.

Federal Realty Inv., down 1% to 15-7/8.

Pacific Realty Tr., up 5.2% to 20-1/8.

We also listed as slightly less attractive to a megabuck investor these stocks: Hubbard RE, New Plan Rlty., Hotel Inv., Florida Gulf, Denver REIA, and REIT of America, this latter stock more active recently and up 15.1% to 21 in June. We have ranked many of these stocks No. 1 or No. 2 for some time, and they should be satisfying holdings even if no megabuck buyer comes along.

Smaller stocks with merger or recovery potentials. As noted above, this group was up sharply in June trading, and percentage gains were lush in some stocks. Some of the big gainers reflected news announcements; others were on heavy volume that indicates something is up but hasn't surfaced publicly yet. Some of the strong June performers:

IDS Realty surged 65% to 4-1/8 on news it had retained an investment banking adviser who was urging the trust to explore possible business combinations. IDS earned \$1.01/sh. in the April quarter including 69¢/sh. in taxloss benefits and gains on early debenture retirement. Nonearning investments have fallen to 38% of invested assets.

Heitman Mtg. Inv. gained 64.6% to 2-7/8 in very active ASE trading. There was no special news but the trust is negotiating with lenders on extending its debt, expiring June 30.

Independence Mtg. and Indiana Mtg. both rose 52.9% to 3 1/4 and 6 1/2 respectively on little hard news. Indiana plans converting to a corporation under the name Indiana Financial Investors, Inc.

Wachovia Realty Inv. rose 31.6% to 6 1/4 on news it is talking share exchange with Security Mtg. No agreement has been reached in the preliminary talks.

Nationwide REI moved ahead 12 1/2% to 15-3/4 on word that Buckeye Federal S&L sweetened its acquisition offer. A previous offer died when Buckeye stock fell. The new offer is valued at \$19.1 million and proposes exchanging one Nationwide share for \$18.25 cash or a share of a new 9-7/8% Buckeye convertible preferred stock with \$18.25 par value.

PNB Mtg. & Rlty. and Sutro Mtg. Inv. have reached definitive agreement for a share-for-share exchange, subject to shareholder approval and projected closing about the end of Sept.

Plaza Realty said it is discussing acquisition of its shares by an unidentified investor; shares rose 16% to 2 1/4.

Capital Mtg. Inv. soared 62 1/2% to 1-5/8 on news it had called off merger talks with a Maryland S&L holding company, and that its banks had permitted payment of interest on its debentures. The news was viewed as opening the door for other merger talks.

Hamilton Inv. Trust leaped 79% to 5-3/8 on a strong first quarter of 29¢/sh. that included some interest recoveries and a small property sales gain. Jersey Mtg. Co., the trust's original sponsor, and two trust officers filed a 13-D with the S.E.C. disclosing they now owned 150,300 sh. or 6.9% of shares.

Other strong price moves, on no apparent news, included Cameron-Brown Inv., up 32 1/2% to 5-5/8; CMT Inv. Trust (formerly Colwell), up 47% to 3 1/2 as its recovery continued; Fidelco Growth, recently boosted to No. 1 ranking, up 44% to 6 1/2 on recent and pending earnings gains.

Baird & Warner Mortgage & Realty fell 5.6% as new management took control and prepared for its next moves under the name Bayswater Realty & Investment Trust. New York City stockbroker Carl Icahn won control and the former trust adviser is resigning June 30th.

Minor positions of less than 1,000 sh. held by Audit & employees in: Barnes, First Newport, Midland, Moraga, PNB and United Realty.

EARNINGS TRENDS: PROPERTY TRUSTS POST FAIRLY STRONG GAINS; OTHERS RECOVERING

Underlying real estate markets for rents, occupancies and leasing continue strong, and results are flowing into trust income statements.

Florida Gulf Realty Trust earned 17¢/sh. in the April quarter, up 6% from the previous quarter; earnings were up 2% for the full year despite leases disaffirmed under Chapter XI by Neisner Bros. and Food Fair. Initial revenues from those spaces which have been re-leased at higher rates should enhance FY 1980 first quarter results.

Also benefiting from Sunbelt property lo-

New Earnings Reports

Trust-Period ended	Th.\$/Spec'l#	-----Latest quarter----- EPS/Spec'l#	-Prev. Q- EPS/Spec'l#	-Yr. Ago Q-- EPS/Spec'l#	-% Chng. From** Prev. Q. Yr. Ago Q.
Quarterly results: Qualified REITs:					
BT Mtg. Invsr. Mar..\$	527	\$0.25	\$0.22	\$0.31/79cS	+14
Cont. Ill. Prop. Apr-EPs	1,159/443G	0.24/9cG	0.13	0.10	+15*
" " Apr-CFS	2,383/443G	0.50/9cG	0.37	0.37	+11*
First Contnl. May...	755	0.36	0.28	0.26	+29
Flatley Rlty. Mar-EPs	37	0.04	0.10	d0.03	-60
" " Mar-CFS	96	0.10	0.16	0.02	-38
Florida Gulf. Apr-EPs	166	0.17	0.16	0.14	+6
" " Apr-CFS	362	0.36	0.35	0.33	+3
General Growth. Mar-EPs	1,721/59G	0.28/1cG	0.38/3cG	0.39/10cG	-23
" " Mar-CFS	2,537/59G	0.41/1cG	0.47/3cG	0.46/10cG	-9
Hospital Mtg. Feb-EPs	84	0.07	0.10	0.10	-30
" " Feb-CFS	178	0.15	0.18	0.16	-17
Hubbard REIT. Apr...	1,790	0.45	0.43	0.45	+5
ICM Rlty. May...	659	0.22	0.17	0.28/13cG	+29
M&T Mortgage. May...	667	0.45	0.44	0.28	+2
Mass Mutual Mtg. Apr...	1,827/131T	0.39/3cT	0.36/5cT	0.38/3cT	+8*
Miller Henry S. May...	242/E34X	0.43/6cX	0.32/1cL	0.30/1cL	+12*
MONY Mtg. May...	2,700	0.30	0.18	0.38/26cR	+67
Mortgage Gro. May-EPs	633	0.24	0.16	0.12	+50
" " May-CFS	750	0.28	0.20	0.15	+40
Prop. Tr. Amer. Mar-EPs	178/63G	0.07/3cG	0.06	0.02	+17*
" " Mar-CFS	290/63G	0.13/3cG	0.08	0.06	+25*
REIT of America. May...	1,848/796G	1.13/49cG	0.63/21cG	0.31	+17*
Rlty & Mtg Pac. May...	653	0.34	0.53/20cG	0.31	+3*
Terrydale Rlty. Mar-EPs	212	0.63	0.30	0.66/12cG	+110
" " Mar-CFS	226	0.67	0.34	0.68/12cG	+97

Quarterly results: Nonqualified trusts & corps:					
Amer. Rlty. Mar...	88/246G	0.04/11cG	d0.73/14cG	d0.16	Better*
Amer. Fletcher. Apr...	d233	d0.17	2.50/1.22S	1.26/59cI	Worse*
Barnes Mtg. Mar...	4998/638G+S	d0.52/33cS	d0.50/50cG	d0.20/21cG	Better*
CI Mtg. Group. Apr...	2752/2653N+S	0.57/55cN+S	9.19/9.37N+S	d0.24	Better*
C. I. Rlty. Feb-EPs	318/288G	0.12/11cG	0.01	0.13/23cG	UC*
" " Feb-CFS	896/288G	0.34/11cG	0.24	0.27/23cG	-4*
Cont. Ill. Rlt. Mar...	d1,049/13S	d0.38	3.44/70cS	d0.09	Worse*
First Mortgage. Apr...	617/302N	0.07/0.03N	0.01	0.02/0.03	+300*
First Penn. Apr...	d881	d0.30	d0.87/9cS	d0.64/d0.02L	Better*
First Virginia. Mar...	348/178	0.29 14cN	0.26/17cG+N	0.22/d5cL	+67*
Growth Realty. Mar...	d1,280	d0.62	d0.25	d0.22	Worse*
IDS Realty. Apr...	4355/1700Y & 2964N+T	1.81/0.71Y & 1.23N+T	0.54/21cY & 56cN+T	0.54/1.00Y & 26cN	& Better*
Institutional. Apr...	d2,115	d0.31	d0.83	d0.35/4cX	Better*
Metropol. Mar...	d214	d0.18	d0.23	d0.17	Better*
Plaza Rlty. Dec...	144/442Y	0.09/0.40Y	d0.07	d0.50	Worse*
South Atlantic. Apr...	1,003/583S	d0.37/0.22S	d0.35/0.27S	d0.46	Worse*
Treco. Mar...	588/124N	0.23/0.05N	d0.13	10.75/9.81N	Better*
Wachovia. Mar...	d325	d0.10	d0.08	d0.18	Worse*
Walter Rlty. Apr...	d55/d27N	d0.05/d3cN	d0.07/d3cN	d0.40	Better*

Annual Results: All trusts & corps:					
C. I. Realty. Feb-EPs	d105/288G	d0.04/0.11G	d0.22/0.22S+H	---	Better*
" " Feb-CFS	2,087/288G	0.78/0.11G	0.28/0.22S+H	---	+1,017*
Cont. Ill. Rlt. Mar...	9206/11528GSY	3.29/4.12cSY	1.87/2.83S	---	Better*
Florida Gulf. Apr-EPs	686/21G	0.69/0.02G	0.66	---	+2*
" " Apr-CFS	1,442/21G	1.45/0.02G	1.39	---	+3*
Hospital Mtg. Feb-EPs	409	0.35	0.49	---	-29
" " Feb-CFS	756	0.64	0.68	---	-6
MONY. May...	7,398	0.83	0.86/0.26R	---	+38*
Plaza Realty. Dec...	d25/442Y	d0.02/0.40Y	d1.13	---	Better*
Treco. Mar...	305/171N+Z	0.05/0.01N+Z	7.44/9.83S+Z	---	Better*

UC=Unchanged. NM=Not meaningful. R=Restated. P=Preliminary. D=Deficit.
#--Special items included in both thousand dollar and share amounts are: G=Gain on sale of assets; I=Interest forgiveness; L=Loss on sale of assets; N=Net operating loss (NOL) benefit or charge; R=Recovery of past-due interest or prepayment fees; S=Swap of assets with banks; T=Gain on market purchase of debt at discounts; W=Gain (loss) on mortgage refinancing; X=Settlement with adviser, sponsor, insurance company, or litigation with borrower; Y=Loss reserve credit; Z=Gain on debt restructuring via exchange or tender offers.

** Comparisons are based upon earnings per share. Where loss is reported in one or both quarters, change in direction is shown as "Better" or "Worse."
* Compared before special items.

cations, Property Trust of America's earnings were up 17% in the March quarter as compared to the previous quarter, totaling 7¢/sh. before a 3¢/sh. sale gain. The trust's new 100-unit apartment property in El Paso was responsible for a large part of the gain; the trust is constructing a 120-unit apartment property in the same area on land acquired through foreclosure.

Another Texas trust, Henry S. Miller, earned 43¢/sh. before a 6¢/sh. gain in the May quarter, up 12% from the previous quarter, reflecting higher percentage rentals and improved cost controls. Miller sold several of its lower-return income producing properties prior to the beginning of its May quarter; earnings rose 19%, year to year, despite reduced revenues. Continued strong results are expected for FY 1980.

Other property trusts showing strong quarter-to-quarter earnings gains include Mortgage Growth Investors, First Continental, ICM Realty, Continental Illinois Properties (see p. 7), and REIT of America. Mortgage Growth also showed a 40% gain in cash flow.

Only three of the property trusts showed quarter-to-quarter downturns, Flatley Realty, Hospital Mortgage, and General Growth Properties. General Growth was hurt by lower rental income and higher interest expense, but the recent tender offer (see p. 2) is the important issue here.

The non-qualified trusts and companies showed improved results overall, with four of them, CI Mortgage, Plaza Realty, Treco and American Realty Trust turning profitable in the most recent quarter. American Realty, however, recently had a \$1.7 million judgment granted against it on behalf of its 7% bond holders. The bonds had come due after the trust defaulted on its 9½% senior bonds in March; the trust is considering selling real estate or notes to pay the bond holders.